

NEWS

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Cherry Hill Man Admits to Running Series of Frauds

(More)

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CAMDEN – A Cherry Hill man pleaded guilty today to federal charges for operating three separate investment fraud schemes, U.S. Attorney Christopher J. Christie announced.

Charles McCormick, 46, pleaded guilty before U.S. District Judge Robert B. Kugler to an Information charging three counts of wire fraud. Judge Kugler continued the defendant's detention and scheduled sentencing for May 25 at 9:30 a.m.

At his plea hearing, McCormick admitted that he engaged in three investment fraud schemes between the middle of 2004 and early 2006 and agreed that the total loss to the victims of the schemes was between \$120,000 and \$200,000.

The first scheme was similar to a classic "pyramid scheme." McCormick admitted that he told potential investors that he had ordered a computer software program and had arranged to sell the software to a third party for a significant profit, and that he merely needed funds for the down payment on the software purchase. McCormick admitted that in reality there was no software and that he was using current "investments" to pay off earlier investors.

McCormick admitted that the second scheme involved false representations that he had Wachovia Center luxury box tickets available for sale. McCormick admitted that in late 2005, he falsely told others that he owned the rights to use a luxury box at the Wachovia Center for Philadelphia Flyers and 76ers games. McCormick admitted that, based on those representations, he fraudulently took money from investors in exchange for his commitment to produce luxury box tickets that did not exist.

The third scheme involved false statements to prospective investors in a company McCormick had established called Superior Recruiting LLC. McCormick admitted that in the middle of 2004 he told prospective investors that he was "completing a customized software program" which could then be sold to other investors in the form of Superior Recruiting "distributorships" and/or "franchises." McCormick admitted that he told the investors that he needed some funds to complete the software purchase and that he and the investor would share an "immediate" profit of \$20,000 within 40 days of the investment. McCormick admitted that there was no such software program.

According to a criminal Complaint filed against the defendant on Oct. 5, 2006, McCormick used similar schemes in the late 1990s to swindle over 600 investors out of more than \$14 million. As a result of those schemes, McCormick was sentenced to eight years in state prison in February 2001.

Each count of wire fraud carries a maximum penalty of 20 years in prison and a fine of \$250,000 or twice the aggregate loss to the victims or gain to the defendants.

In determining an actual sentence, Judge Kugler will consult the advisory U.S. Sentencing Guidelines, which provide appropriate sentencing ranges that take into account the severity and characteristics of the offense, the defendant's criminal history, if any, and other factors. The judge, however, is not bound by those guidelines in determining a sentence.

Parole has been abolished in the federal system. Defendants who are given custodial terms must serve nearly all that time.

Christie credited Special Agents of the FBI's South Jersey Resident Agency, under the direction of Special Agent in Charge J.P. Weis in Philadelphia, with the investigation leading to the guilty plea.

The government is represented by Assistant U.S. Attorney Allen Harberg of the Criminal Division in Camden.

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Defense Attorney: Maggie Moy, Esq. Assistant Federal Public Defender